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Follow-up to the World Summit for Social Development and the twenty-fourth special session of the General Assembly: Priority Theme: Addressing inequalities and challenges to social inclusion through fiscal, wage and social protection policies

Statement submitted by Congregation of Our Lady of Charity of the Good Shepherd, a non-governmental organization in consultative status with the Economic and Social Council*

The Secretary-General has received the following statement, which is being circulated in accordance with paragraphs 36 and 37 of Economic and Social Council resolution 1996/31.

* The present statement is issued without formal editing.

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Statement

Rising inequality is a major obstacle to the achievement of social inclusion and the Sustainable Development Goals (SDGs). The Congregation of Our Lady of Charity of the Good Shepherd welcomes the priority theme, "Addressing inequalities and challenges to social inclusion through fiscal, wage and social protection policies." In our experience, as an organization working at the grassroots level, social protection policies and policies that ensure a living wage for all workers are fundamental to reducing poverty, achieving gender equality, and promoting decent work and social inclusion. It is clear that growing economies have not benefited people equitably, with multidimensional and multigenerational poverty persisting, leading to further vulnerability and social exclusion.

The theme of the Commission for Social Development appears to neglect the globalized reality within which fiscal, wage and social protection policies are enacted. Current neoliberal economic policies prioritize corporations and profit over people and human rights. Tax injustice, illicit financial flows, the privatization of public services, land grabbing, extractive industries, agribusiness, and the implementation of austerity measures are examples of practices that require a paradigm shift to a more equitable distribution of resources through living wage legislation, progressive taxation and investment in social protection systems and measures for all, including floors. These redistributive fiscal policies are possible and vital to ensure just and inclusive economic growth for all.

Current fiscal policies, skewed to increasingly benefit fewer people, are a major contributor to inequality within and among countries. Tax abuse results in the loss of public revenue, resulting in insufficient and low-quality social protection, including education, health, and care services. This perpetuates gender inequalities and limits women's and girls' economic empowerment. To achieve the SDGs, States must focus on tax justice in order to both raise more resources for public goods and services and redistribute currently available resources more fairly. States must also work on ending tax abuse, which has a negative impact on people's lives, and on social inclusion and economic development. Through effective and progressive tax systems, based on fairness and ability to pay, governments can create the enabling environment for public and private investment, and mobilize sustainable and predictable sources of funding necessary to implement social protection systems and realize SDG 10, reducing inequality within and among countries.

Erosion of labor rights and neglect of the decent work agenda has led to social exclusion and exploitation. Wage share of national income has been steadily declining for decades in many countries, leading to more working people living in poverty. Neoliberal policies, public spending cuts, and austerity measures in developing and developed countries alike have had a negative impact on low-income workers, especially women and girls. The current economic system is for the most part sustained by gender inequality and discrimination against women in the labor force. Mainstream economic thinking does not take into account the value of unpaid care work and its contribution to the economy. Unpaid care work often compensates for austerity measures. The disproportionate burden of unpaid care work on girls and women constitute an important barrier to their gaining access to the right to work. A human rights approach to economic issues should endeavor to address asymmetric power relations that underpin gender inequality,

There has also been an unprecedented rise in the share of work that is informal, precarious and exploitative, in which women and girls are overrepresented. Respect for human and labor rights, including freedom of association and collective bargaining, has declined with negative consequences for the realization of SDG 8, the

creation of resilient and prosperous economies, and the development of more inclusive and equal societies. Social justice demands implementation and enforcement of minimum wages that allow people to live with dignity, taking into account cost of living and inflation. This also includes concrete policies to enhance workers' occupational health and safety, reasonable working hours, job security, legal protection, and social protection, in line with international labor standards.

To reduce inequalities, Governments agreed to implement nationally defined social protection floors in line with International Labour Organization Recommendation 202, where they recognized 'that social security is an important tool to prevent and reduce poverty, inequality, social exclusion, and social insecurity, to promote equal opportunity and gender and racial equality, and to support the transition from informal to formal employment.' While Governments committed to providing these floors, currently four billion people in the world live without any form of social protection and only 29 percent of the world's population receives comprehensive social protection.

This gap has led organizations, such as Good Shepherd, to step in when the Government is unable or unwilling to provide sufficient services. The Congregation of Our Lady of Charity of the Good Shepherd prioritizes the empowerment and financial inclusion of vulnerable girls and women, who experience multidimensional poverty and the systemic violations of their dignity when implementing projects. These projects also serve as models and good practices for the implementation of social protection policies across a wide variety of need, ranging from basic services of water, sanitation, and hygiene (WASH) in Nepal to meeting the need for financial inclusion in Australia.

In Nepal, Good Shepherd has a range of programs working with girls, women, and youth, none of whom receive any sort of social protection or cash transfer from the government. In the residential long-term and short-term facility in Pokhara, girls aged 4 to 18 receive basic services, attend educational facilities nearby, and partake in vocational and life skills training. Most recently, Good Shepherd Nepal is working towards the creation of a WASH program in the most remote parts of the Gorkha district. This project, once finished at the end of the year, will benefit 3,500 people in these communities. Girls and women are disproportionately affected by the WASH needs of their households, often leading to limited education and decent work opportunities. Access to WASH services allows community members to live healthier lives and girls and women the ability to get an education and work outside the home.

Three million people in Australia are excluded from mainstream financial institutions and their banking and insurance products. This places them and their families at risk of poverty and poor social, emotional and health outcomes. Good Shepherd Microfinance offers moderate to low-income individuals in Australia the ability to be included in their own financial future through loan and financial advisory programs. In partnership with the National Australia Bank, Good Shepherd Microfinance provides loans that allow those excluded financially, disproportionality women and other marginalized groups, a chance to put money towards household goods, educational opportunities and incidentals that they would otherwise be without. Another program partners with insurance institutions to create tailored and affordable general insurance plans, enabling people to enjoy social protection.

Good Shepherd Microfinance has become a key partner in Australia's move towards financial inclusion. The Australian Government appointed Good Shepherd Microfinance to create a Financial Inclusion Action Plan (FIAP). This plan brings organizations, academia, financial institutions, and private business together to come up with practical actions that these groups can use to improve the financial resilience

of employees, customers, and communities. (http://goodshepherdmicrofinance.org.au/services/financial-inclusion-action-plans-fiap/)

The current global economic system that impinges on people's dignity, erodes human rights and socially excludes demands redress. Inequalities can be addressed through developing alternative financial architectures that implement fiscal, wage and social protection policies that are redistributive, gender just and inclusive.

Recommendations.

Implement national social protection floors, in line with ILO Recommendation 202 and SDG 1.3, while scaling up existing social protection policies towards universal social protection.

Realize SDG 8 by protecting and promoting human and labor rights, decent work, and living wages so that people can work and live in dignity and prosperity.

Achieve SDG 10 by empowering and promoting the social, economic and political inclusion of all, and by creating inclusive fiscal, wage and social protection policies that create resilience and economic opportunity among vulnerable communities.

Implement progressive tax systems and end impunity for tax abuse to mobilize resources for social protection floors and other public services.

Invest in financially inclusive loan programs, microfinance loans, and small business cooperatives that empower socially excluded people to reclaim their dignity and become active participants in their financial decisions.